

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

DAVID GORDON WALLACE, JR.,

DEBTOR.

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CASE NO. 15-31594

(CHAPTER 7)

**SECOND SUPPLEMENTAL ORDER GRANTING CHAPTER 7 TRUSTEE'S
MOTION TO COMPEL VIRGINIA ACQUISITIONS, LLC AND BILL EWING
TO PRODUCE DOCUMENTS AND FOR CONTEMPT SANCTIONS
[Related to Dkt. No. 132]**

On September 22, 2015, the Court held a status conference on the *Order Granting Chapter 7 Trustee's Motion to Compel Virginia Acquisitions, LLC and Bill Ewing to Produce Documents and For Contempt Sanction* [Dkt. No. 132] (the "Order"), as supplemented by the *Supplemental Order Granting Chapter 7 Trustee's Motion To Compel Virginia Acquisitions LLC and Bill Ewing to Produce Documents and For Contempt Sanctions* [Docket No. 140] (the "Supplemental Order"), granting the motion [Dkt. No. 125] of Rodney D. Tow (the "Trustee"), Chapter 7 trustee for David Gordon Wallace, Jr. (the "Debtor") to compel Virginia Acquisitions, LLC and Bill Ewing, Jr. to produce the documents requested in the Notice of Rule 2004 Examination of Virginia Acquisitions, LLC [Dkt. 95] ("Request for Production") and a hearing to consider whether additional sanctions for contempt are appropriate; and the Court having heard the testimony of Charles Rubio, counsel to the Trustee, that the Order has not been complied with; and the Court having found that Virginia Acquisitions, LLC and Bill Ewing, Jr., a member of Virginia Acquisitions, LLC, continue to be in contempt of this Court, and finding that Virginia Acquisitions, LLC and Bill Ewing, Jr. are hindering the Trustee from fulfilling his fiduciary duties to the creditors of the Debtor's estate; and finding that a *prima facie* case has

been made that the Trustee has an interest in Virginia Acquisitions, LLC that has over \$50,000.00 in equity value; and finding that Virginia Acquisitions, LLC and Bill Ewing, Jr. are hindering the Trustee in the particular respect of realizing this value; and the Court having the inherent authority as an Article I court and under section 105(a) of the United States Bankruptcy Code to compel compliance with the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure; and based on the record in this case and for good cause appearing, it is hereby ORDERED THAT:

1. Virginia Acquisitions, LLC and its member, Bill Ewing, Jr. shall immediately produce all documents in each and every category requested in the Request for Production.

2. In order to coerce compliance with the Order and the Supplemental Order, the daily monetary sanctions provided in the Order and the Supplemental Order shall continue to accrue at the rate of three hundred dollars (\$300.00) per calendar day, for each calendar day that Virginia Acquisitions, LLC and its member, Bill Ewing, Jr. have failed to comply with and respond fully to the Request for Production; and Virginia Acquisitions and Bill Ewing, Jr. shall be jointly and severally liable for such monetary sanctions.

3. As further coercive sanctions, Bill Ewing, Jr. is hereby enjoined from exercising any managerial powers on behalf of Virginia Acquisitions, LLC without the prior written consent of the Trustee, unless otherwise ordered by this Court.

4. As further coercive sanctions, Virginia Acquisitions, LLC and Bill Ewing, Jr. shall be jointly and severally liable for the fees and costs incurred by the Trustee in conducting additional discovery in connection with Virginia Acquisitions, LLC including discovery from Arvest Bank.

5. The Court reserves the right to issue a bench warrant to take Bill Ewing, Jr. into custody for his contempt of this Court.

6. A status hearing shall be held on **November 10, 2015, at 11:00 a.m.**, in this Court, at which time the Trustee shall report on the status of Virginia Acquisitions, LLC's and Bill Ewing, Jr.'s compliance with this Order, and the Court shall at that hearing consider whether additional sanctions are appropriate.

7. The Court shall retain jurisdiction to enforce this Order.

SIGNED this ____ day of _____, 2015.

Jeff Bohm
U.S. Bankruptcy Judge